

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1715-01  
Bill No.: HB 560  
Subject: General Assembly; Health Care; Health Department  
Type: Original  
Date: March 14, 2003

---

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General	(\$226,158)	(\$245,125)	(\$252,563)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$226,158)</b>	<b>(\$245,125)</b>	<b>(\$252,563)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Public Safety - Missouri State Highway Patrol**, the **Missouri House of Representatives**, the **Department of Economic Development - Division of Professional Registration**, the **Missouri Department of Conservation**, the **Missouri Senate**, the **Department of Highway and Transportation**, and **Missouri Consolidated Health Care Plan** assume this proposal would not fiscally impact their agencies.

Officials from the **University of Missouri (UM)** state that the UM does not own any hospitals in Kansas City. The UM said should the UMKC choose to participate in the study, there would be a unknown cost to the School of Medicine.

Officials from the **Department of Insurance (INS)** state the INS may experience additional expenses in the areas of research, statistical analysis, etc. However, since the Department of Health and Senior Services would be responsible for monitoring the success and reporting the program status, the INS assumes they will submit costs for the pilot project. Fiscal impact to the INS is anticipated to be minimal and will be absorbed by existing staff.

Officials from the **Department of Health and Senior Services (DOH)** state the DOH would

ASSUMPTION (continued)

assume the DOH in conjunction with the University of Missouri-Kansas City – Hospitals and Clinics (UMKC-H&C) would enlist physician/surgeon participation across a range of specialties to identify and select a test group of surgical procedures based on (1) Leading elective surgeries at UMKC – H&C across a range of risk levels and (2) Availability of educational material based on accepted medical literature, including preparation and care guidelines and complications frequencies. The DOH assumes it and UMKC would research, develop and produce educational materials for the selected procedures included in the pilot program that. The DOH assumes it would collect and compile data and maintain databases related to surgical procedures.

The DOH assumes it would hire a 1 FTE Research Analyst for the duration of the pilot program. This analyst would be assigned duties related to the collection, compilation and management of the databases for all the categories of information that are required by this bill. The analyst would assist UMKC – H&C in its efforts to enlist physician/surgeon participation across a range of specialties and identify and select a test group of surgical procedures. The analyst would also prepare any interim reports and the final report on the program.

The DOH assumes a 1 FTE Senior Office Support-Keyboarding staff would be needed to provide clerical support for the duration of the pilot program.

The DOH assumes it would contract with the University of Missouri-Kansas City hospitals and clinics (UMKC – H&C) to pay for a 0.15 FTE Physician, for the duration of the pilot program to subscribe participating physicians to the program and provide expert clinical advice in the development and use of educational materials and a 1.0 FTE Advanced Practice Nurse for the duration of the pilot program to develop and administer educational materials for the program and to administer data collection instruments.

The DOH assumes it would contract with a 0.25 FTE Graphic Design Specialist to design, as needed, the paper or web-based surgical procedure educational materials. The DOH also assumes it would contract with a Research Analyst and Keyboard Specialist at UMKC.

The DOH assumes costs would be \$255,399 in FY 04, \$267,642 in FY 05, and \$275,676 in FY 06.

**Oversight** has, for fiscal note purposes only, changed the starting salary for the DOH positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on

Legislative Research.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Health and Senior Services</u>			
Personal Services (2 FTE)	(\$43,911)	(\$54,011)	(\$55,361)
Fringe Benefits	(\$17,771)	(\$21,858)	(\$22,405)
Expense and Equipment	<u>(\$164,476)</u>	<u>(\$169,256)</u>	<u>(\$174,797)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$226,158)</u></b>	<b><u>(\$245,125)</u></b>	<b><u>(\$252,563)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires the Department of Health and Senior Services, in conjunction with the Department of Insurance and the University of Missouri-Kansas City Hospitals and Clinics, to establish the Comprehensive Patient Education and Healthcare Cost Improvement Pilot Program. The purpose of the program is to improve the availability of patient information regarding risks and complications associated with elective surgical procedures.

In its main provisions, the proposal:

- (1) Requires that the program incorporate effective patient education programs into the pre-operative consultation and informed consent processes;
- (2) Requires the program to be implemented no later than six months after funding is made

available. The program will terminate after three years of operation;

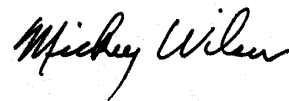
DESCRIPTION (continued)

- (3) Specifies the components of the educational system used in the program;
- (4) Requires the department to monitor the program and to submit a report to the Director of the Department of Insurance and the General Assembly; and
- (5) Contains the subject areas the report is required to examine.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Insurance  
University of Missouri  
Missouri Senate  
House of Representatives  
Department of Economic Development -  
Professional Registration  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Department of Highway and Transportation  
Missouri State Highway Patrol



MICKEY WILSON, CPA  
DIRECTOR  
MARCH 14, 2003